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UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA

Ace Asphalt of Arizona, Inc., an Arizona
corporation,

Plaintiff,

vs.

Shane's Paving and Grading, Inc., an
Arizona corporation,

Defendant.

No.

VERIFIED COMPLAINT

(JURY TRIAL DEMANDED)

For its Complaint in this action, Ace Asphalt of Arizona, Inc. ("Plaintiff") alleges
the following:

PARTIES AND JURISDICTION

1. Plaintiff is a corporation organized and existing under the laws of the State
of Arizona, having its principal place of business in Phoenix, Arizona.

2. Shane's Paving and Grading, Inc. ("Defendant") is an Arizona corporation
with its principal place of business in Maricopa County, Arizona. Defendant's principal
and owner, Shane Dickoff, is a former employee of Plaintiff.

3. This Complaint states claims for: (i) infringement of Plaintiff's federally
registered ACE ASPHALT® trademarks in violation of § 32 of the Lanham Trademark
Act of 1946, as amended (the "Lanham Act"), 15 U.S.C. § 1114; (ii) infringement of
Plaintiff's common law ACE ASPHALT trademark and unfair competition arising under



1 § 43 of the Lanham Act, 15 U.S.C. § 1125(a); (iii) unfair competition under Arizona State
2 law; and (iv) trademark infringement under Arizona State law.

3 4. This Court has jurisdiction over the subject matter of this action pursuant to
4 28 U.S.C. §§ 1331 and 1338(b). The Court has pendent jurisdiction over the State and
5 common law claims pursuant to 28 U.S.C. § 1367.

6 5. Plaintiff's claims arise in the District of Arizona, and venue is therefore
7 proper in this District pursuant to 28 U.S.C. §§ 1391(b) and 1400(a).

8 **FACTUAL BACKGROUND**

9 6. Beginning at least as early as 1981, and continuing without interruption to
10 the present, Plaintiff has used the mark ACE ASPHALT® (the "Plaintiff's Mark") in
11 connection with its pavement business.

12 7. Plaintiff owns and uses a federal trademark registration for the mark ACE
13 ASPHALT® (Fed. Reg. Nos. 2830103). *See* Exhibit 1, Registration.

14 8. Plaintiff spends thousands of dollars annually advertising and promoting
15 Plaintiff's Mark through telemarketing, print media, direct mail, and signage in the
16 Phoenix metropolitan area and throughout Arizona.

17 9. Plaintiff is one of the largest parking lot construction and maintenance
18 companies in the United States and the largest in Arizona with 235 employees and over
19 400 pieces of equipment – doing over \$50 million in revenue last year.

20 10. Plaintiff's Mark is inherently distinctive when used in connection with
21 pavement services. Alternatively, as a result of Plaintiff's sales and advertising efforts,
22 Plaintiff's Mark has become distinctive and recognized as an indicator of source for
23 Plaintiff's services.

24 11. Defendant adopted and is using a confusingly similar mark (the "Infringing
25 Mark") in connection with a licensed pavement business in the State of Arizona.
26

12. Plaintiff first became aware of Defendant doing business in the State of Arizona in 2010.

13. Plaintiff's Mark and the Infringing Mark, side by side, are set forth below.

Ace Asphalt's Trademark



Infringing Mark



14. On October 15, 2010, Plaintiff notified Defendant that the use of Plaintiff's Mark was infringing and demanded that it cease and desist all use of the Infringing Mark. See Exhibit 2, copy of Plaintiff's letter to Defendant.

15. On March 15, 2010, Plaintiff once again notified Defendant that the use of Plaintiff's Mark was infringing and demanded that it cease and desist all use of the Infringing Mark. See Exhibit 3, copy of Plaintiff's letter to Defendant.

16. Defendant did not reply to either letter sent by Plaintiff and in a telephone conversation with Plaintiff's counsel Defendant would not agree to change the company's mark.

17. Defendant's unauthorized use of the Infringing Mark has or is likely to continue to lessen the value of Plaintiff's Mark.

18. Defendant's unauthorized use of the Infringing Mark has and will continue to irreparably injure Plaintiff and its reputation and goodwill associated with Plaintiff's Mark and Plaintiff's services.

19. Defendant's acts have been and are likely to cause confusion, mistake, or deception as to the source of origin of Defendant's services, to suggest falsely a sponsorship, connection, license, or association of its infringing services with those of



1 Plaintiff by virtue of the above, and will divert profits from Plaintiff. As to these acts,
2 Plaintiff has no adequate remedy at law and has been and will be injured unless Defendant
3 is enjoined.

4 **FIRST CLAIM**

5 **(Federal Trademark Infringement Under Lanham Act § 32, 15 U.S.C. § 1114)**

6 20. Plaintiff repeats and realleges each and every allegation set forth in the
7 paragraphs above.

8 21. Defendant's acts are likely to cause confusion, cause mistake, or deceive in
9 that consumers are likely to believe Defendant's products and/or services bearing the name
10 Infringing Mark are in fact ACE ASPHALT® products or services or are in some manner
11 approved by, associated with, sponsored by, or in some manner connected with Ace
12 Asphalt.

13 22. Defendant's acts constitute trademark infringement under the trademark
14 laws of the United States, Lanham Act, 15 U.S.C. § 1114. Defendant's acts have been
15 willful.

16 23. By reason of Defendant's foregoing acts, Plaintiff has sustained, and unless
17 Defendant is enjoined, is likely to continue to sustain, substantial injury and damage.

18 24. Unless enjoined, Defendant will be unlawfully and unjustly enriched as
19 a result of the foregoing acts. Defendant has caused, and unless enjoined, will continue to
20 cause, irreparable harm to Plaintiff for which there is no adequate remedy at law.

21 **SECOND CLAIM**

22 **(Unfair Competition Under Lanham Act § 43(a), 15 U.S.C. § 1125(a))**

23 25. Plaintiff repeats and realleges each and every allegation set forth in the
24 paragraphs above.

25 26. Defendant used Plaintiff's Mark in connection with identical services on
26 information and belief, to confuse the public into believing that Defendant's services have



1 been authorized or sponsored by Plaintiff.

2 27. Defendant's acts are likely to cause confusion, mistake, or deception as to
3 the origin, connection, association, sponsorship, or approval of Defendant and his services
4 by or with Plaintiff and its services, and thus constitutes false designations of origin in
5 violation of Section 43(a)(1)(A) of the Trademark Act of 1946, as amended, 15 U.S.C. §
6 1125(a)(1)(A).

7 28. Defendant's acts constitute willful, deliberate, false, and misleading
8 representations of fact as to the right to use the Infringing Mark in violation of Section
9 43(a)(1)(B) of the Trademark Act of 1946, 15 U.S.C. § 1125(a)(1)(B). As to these acts,
10 Plaintiff has no adequate remedy at law and has been and will continue to be injured
11 unless Defendant is enjoined.

12 **THIRD CLAIM**

13 **(Unfair Competition Under Arizona Common Law)**

14 29. Plaintiff repeats and realleges each and every allegation set forth in the
15 paragraphs above.

16 30. Defendant's unauthorized use of the Infringing Mark in connection with
17 nearly identical services is likely to cause confusion, mistake, or deception as to the origin,
18 connection, association, sponsorship, or approval of Defendant and his services by or with
19 Plaintiff and its services. This constitutes unfair competition under state law.

20 31. Plaintiff has no adequate remedy at law and has been and will continue to be
21 injured unless Defendant is enjoined from further infringing activities.

22 **FOURTH CLAIM**

23 **(Arizona Trademark Infringement)**

24 32. Plaintiff repeats and realleges each and every allegation set forth in the
25 paragraphs above.

26 33. Defendant's willful conduct constitutes trademark infringement under A.R.S.

1 § 44-1451.

2 **WHEREFORE**, Plaintiff prays that this Court enter judgment in its favor on the
3 claims set forth above and award it relief, including, but not limited to, the following:

4 A. Preliminary and permanent injunctions, enjoining Defendant and its
5 employees, and agents, and all persons in active concert or participation with any of them,
6 pursuant to 15 U.S.C. § 1116(a), from using the Infringing Mark or any other confusingly
7 similar version of Plaintiff's Mark in any way, including as a telephone listing, in
8 telemarketing, on a website or in other electronic media, or in advertising in connection
9 with paving services, or any other false suggestion of origin or sponsorship, approval,
10 affiliation, or connection with the Plaintiff and its services to the extent allowed by law;

11 B. Directing such other relief as the Court may deem appropriate to prevent the
12 trade and public from deriving any erroneous impression that any services provided or
13 promoted by Defendant are authorized by Plaintiff or related in any way to Plaintiff's
14 services;

15 C. Ordering Defendant to deliver up for destruction all labels, signs, prints,
16 insignia, letterhead, brochures, business cards, invoices and any other written or recorded
17 material or advertisements in their possession or control containing the Infringing Mark, or
18 any other mark confusingly similar to or encompassing the ACE ASPHALT® Mark
19 pursuant to 15 U.S.C. § 1118 or otherwise to the extent allowed by law;

20 D. Ordering Defendant to file with this Court and serve on Plaintiff within
21 thirty (30) days from the date of entry of any restraining order and/or injunction, a report
22 in writing, under oath, setting forth in detail the manner and form in which Defendant has
23 complied with the terms of the injunction in accordance with 15 U.S.C. § 1116 and
24 otherwise.

25 E. Ordering Defendant to pay Plaintiff:
26



- (1) all profits, gains and advantages obtained from Defendant's unlawful conduct, including lost profits and corrective advertising damages in an amount to be determined at trial, as provided in 15 U.S.C. § 1117, and otherwise;
- (2) all monetary damages sustained and to be sustained as a consequence of Defendant's unlawful conduct, including lost profits and corrective advertising damages, in an amount to be determined at trial pursuant to 15 U.S.C. § 1117, and otherwise;
- (3) the cost of advertising necessary to correct the confusion caused by Defendant's use of the Infringing Mark; and
- (4) Plaintiff's costs and disbursements of this action, including reasonable attorneys' fees pursuant to 15 U.S.C. § 1117(a) and other applicable laws.

F. Finding Defendant's actions to have been willful, and therefore ordering that Defendant's profits or Plaintiff's damages, whichever is greater, be trebled as provided under 15 U.S.C. § 1117(b).

G. Awarding interest on the above damages awards.

H. Assessing court costs against Defendant.

I. Punitive damages given Defendant's intentional, malicious acts and callous disregard of Plaintiff's rights.

J. Awarding such other relief as this Court may deem just and proper.

DATED this 13th day of April, 2011.

LEWIS AND ROCA LLP


By: /s/ Bruce E. Samuels
Bruce E. Samuels
Attorneys for Plaintiff

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AND
ROCA
LLP
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VERIFICATION

I, Mike Moertl, President of Ace Asphalt of Arizona, Inc., verify under penalty of perjury of the laws of the United States that the foregoing Verified Complaint and the statements contained therein are true and correct, except those matters alleged on information and belief, and as to such matters I believe them to be true.

DATED this 12 day of April, 2011.


Mike Moertl